Wet lease agreement between AI and Jet Airways

121. SHRI ABANI ROY: Will the Minister of CIVIL AVIATION be pleased to state:

(a) what are the terms and conditions of the wet lease agreement signed between Air India and Jet Airways;

(b) whether paper tender procedure has been followed before signing the agreement; and

(c) if not, the reasons therefor and whether Government would refer the matter to CBI for thorough investigation and if not, reasons therefor?

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL): (a) Air India has wet-leased one A340-300E aircraft from M/s. Jet Airways for the period 09.07.2005 to 27.07.2005 to operate approximately 19 RT flights at USD 4200 per Block Hour.

(b) Due to critical shortage of aircraft, paucity of time and very short lease period of less than one month, no tender was floated. The wet-lease proposal was also approved by Air India Board in its meeting held on 08.07.2005.

(c) This short term measure had to be adopted in the overall interest of Air India as it was facing acute shortage of B747-400 aircraft capacity during July, 2005 entailing withdrawal of one B747-400 aircraft from scheduled operations. Not responding to this situation would have resulted in cancellation of flights with a consequent adverse impact in terms of expenditure on endorsement of tickets to other carriers, hotel accommodation, denied boarding charges etc., besides also leading to (i) loss of credibility in the market and inconvenience to passengers on the highly competitive India/London route, (ii) problems in retaining slots at London Heathrow in the event of non-operation of flights and (iii) Reduced out-bound loads in August 2005, due to the non-carriage of inbound traffic in July, 2005.

Expansion of air services in North-Eastern States

†122. SHRI PYARELAL KHANDELWAL: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether it is a fact that a scheme is under consideration for expansion

†Original notice of the question was received in Hindi.